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OGC Has Reviewed

Chief, Procurement and Contract Division

31 January 1951

General Counsel's Office

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1. Reference is made to your undated letter on the above subject wherein you request the opinion of this office as to the sufficiency for contractual purposes of the information provided in a memorandum from OPC/R&D, dated 17 January 1951.

2. The work order form of contract would appear to be the proper one to employ in this case. Such a contract can be drawn up on the basis of the information available at this time, and the necessary details which you refer to on your memorandum can, and must, be included in the work orders issued under the contract. Each work order will thus constitute a separate agreement with the contractor, subject to the general provisions set out in the basic contract.

3. Since this is a production contract, the description of the work to be done and other details of the transaction should be set out clearly and specifically in the various work orders.

4. It is understood that it is planned to compensate the contractor on a cost-plus-a-fixed-fee basis. The written finding and determination necessary to justify the use of this form of contracting should be made, as required in [REDACTED]

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Also in accordance with our conversation on this subject, the compensation provisions should be phrased and administered in such a manner as not to contravene the legal prohibition against cost-plus-a-percentage-of-cost contracting.

5. We will be glad to discuss with you any further details in connection with this contract.

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RGHarper:tac
cc: Chrono
Subject

Attach: Memo for Chief of Procurement
fr OPC/R&D, dtd 17 Jan 1951

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